



SUGAR IN POLITICS WITH A VENGEANCE

Washington Solons Divide On Party Lines In Considering Sugar Duties

Democrats Apparently Favor the Lowrey Scheme of Internal Revenue Taxation

The Frank C. Lowrey circular recommending that a tax of 1.2 cents per pound be levied on domestic sugar, payable "at the source," was made the subject of resolutions introduced in the senate by Senator of South Carolina and Gore of Oklahoma.

As a preliminary, Senator Tillman had a letter from one of his constituents, J. T. Leonard of Charleston, printed in the Record December 19. This communication follows:

"CHARLESTON, S. C., December 3, 1915.

"Hon. R. B. Tillman,

"Senate Chamber, Washington, D. C.

"My Dear Senator Tillman: In a formal statement, issued by Secretary McAdoo of the Treasury last week, it is estimated that \$112,806,394 will be required for 1917, including \$93,400,000 for new measures for national defense.

This is upon the assumption that the present duty on sugar and the present emergency revenue taxes shall be continued.

It is interesting to note that the present duty of one cent per pound on raw sugar ceases May 1, 1916, is amended, and the present duty continued, it means that the Democratic party has failed to keep its promise to the American people for the elimination of tariff subsidies to special interests.

A little less than half of the sugar consumed in the United States does not produce any revenue for the Government; but, on the other hand, shares with the Government the benefit of the tariff, but at the expense of the consumer. In other words, one cent per pound tax is added to the cost of a little more than half the sugar consumed, which is imported, consumers paying this additional one cent per pound, which goes into the Treasury of the Government. One cent per pound is added to the cost of the other half, which is produced within our borders, the consumers paying this additional one cent also which goes not into the Treasury of the Government but into the treasury of the domestic producers.

Not Democratic, He Says

"Here are the figures approximately: The Government will collect duties on imported sugar—\$40,000,000; of this, \$20,000,000 will be refunded, as drawback on imported sugars which are exported after being refined, leaving a net revenue of \$20,000,000. The additional cost of one cent per pound to consumers of the little less than half of domestic sugars consumed which will be paid to domestic producers, will amount to about \$28,000,000. This is really an indirect subsidy to domestic producers, and is in opposition to the principles of the Democratic party.

The statement says that the amount can easily be raised by internal taxation without appreciable burdens upon the American people. Sugar is not mentioned as one of the products upon which such tax could be imposed, but why not let the present law go into effect May 1, 1916, removing the tax on sugar imported?

Nigger in the Woodpile

"Enact a new law taxing all sugar consumed, domestic and imported, one cent per pound. This would not increase the cost to consumers over the present plan, but would give the government the \$28,000,000 which it now receives and the \$28,000,000 which the domestic producers now receive, or a total of \$56,000,000 in revenue. If the government is satisfied with \$28,000,000 revenue on sugar, make the tax only one-half cent per pound on all consumed, giving the consumers the benefit of the other \$28,000,000.

Did They Make the War

"The sugar interests have been very prosperous recently, and do not need any tariff protection now, if they ever needed it; and in consideration of the benefits they have received in the past under the protective tariff could not reasonably object to finding their assistance to the government in collecting the needed revenue on sugar consumed. There is probably no revenue the government could collect at so little expense, as it could be collected in lump sum from the comparatively small number of producers and refiners.

Let the Planter Pay

"The \$38,000,000 divided among the 100,000 people of the United States, if the tax were made only one-half cent per pound, would be so little to each that, if left to a popular vote, it would probably be decided to let the government have the full amount to be used for preparedness. And this \$38,000,000 would take care of a large part of the \$93,400,000 required for preparedness. The 'protection' feature would be eliminated. The internal tax on sugar could be imposed as an emergency measure, subject to repeal whenever expedient.

The above is respectfully submitted for your consideration.

Yours, very truly,

JNO. T. LEONARD.

Following this on December 13, as a part of the democratic program, Senator Gore attempted to introduce a resolution but was unable to secure its consideration under the rules, objection being made thereto by Senators Smoot and Gallinger.

That portion of this resolution relating to sugar follows:

"Second. A duty of 1.5 cents per pound on sugar.

Third. An excise tax of 1.2 cents per pound on sugar produced in the United States and its island possessions, to be paid at the factory or refinery, a portion of the latter tax equal to seven-tenths of 1 cent per pound to be suspended by presidential proclamation upon the signing of a protocol looking to the establishment of peace among the nations of Europe now at war."

The other two provisions are for a ten cents per pound duty on tea and a twenty-five cents per horse-power tax on automobiles.

Both Ends Against Middle

The Gore resolution was again brought upon December 16, then withdrawn and the following substitute submitted and adopted.

"Resolved, That the Secretary of the Treasury is directed to submit to the Senate an estimate of the probable revenue to be derived from the following duties and excise taxes, to wit:

First. A duty of 10 cents per pound on tea.

Second. A duty of 1.5 cents per pound on sugar.

Third. An excise tax of 1 cent per pound on sugar produced in the United States and its island possessions.

Fourth. An excise tax of 25 cents per horsepower on the production of automobiles, to be paid by the manufacturer.

Marine Excited

Senator Martine said that he opposed further duties on sugar or any at all on sugar. Senator Gore said the intent was simply to ask for information. Senator Penrose asked, "would it delay this matter unduly if it was referred to the committee on finance?"

Mr. Gore repeated that all he wanted was information.

Innocuous, Says Penrose

Then Penrose said it "certainly is an excellent custom to be followed anyhow, to refer a resolution of inquiry to a committee so as to prevent the introduction of idle, impertinent, and useless resolutions of inquiry. I do not see for a moment to say that this resolution comes within that description, but being firmly convinced that it is innocuous I shall not make any objection to it."

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SUGAR SCHEDULE UNDER DISCUSSION

Willett & Gray's Washington correspondent supplies the following on the tariff situation at Washington, December 21:

It is the general and confident expectation that steps will be taken during the current session of congress to continue the present rate of duty on sugar for a moment to say that this resolution comes within that description, but being firmly convinced that it is innocuous I shall not make any objection to it."

Mr. Gore repeated that all he wanted was information.

In that form the resolution was then adopted.

It is not possible to get in touch to night with many members of congress who will move in carrying the plan into operation, but it is known to be the intention of the leading members of the ways and means committee of the house to take up the subject soon after the reconvening of congress, following the holidays, and their expectation is that a measure will be enacted along the lines of the administration plan.

The legislation may be seized upon by the Republicans in both houses as a basis for a general tariff discussion, and action may thus be delayed, but it is hoped by friends of the proposed measure that it will come in time to prevent a lapse of the duty. It is believed that ultimately Republicans generally will accept this legislation in lieu of more liberal and more general tariff increase, and that Democrats in congress will concede it as revenue necessity. This is the general opinion of members of congress, who predict legislation unless some unforeseen obstacle is encountered.

BURLAPS ARE EXPENSIVE

One hundred bales of forty-lb, ten and one-half ounce burlaps sold December 17, in New York, at 9.05, but this lot will not arrive until end of January. Ten ounce 40's in earload lots are worth 9.15 to 9.25; seven and one-half ounce, six cents; and other grades high. The bag shortage is acute at all mainland shipping points.

ADVANCING FUTURES

Sugar futures at New York, December 22, were: Bid, January, 3.48; February, 3.38; March, 3.36; April, 3.39; May, 3.45; June, 3.47; July, 3.51; August, 3.53; September, 3.59; October, 3.62.

McBRYDE IS GRINDING

McBryde started harvesting the new crop Monday, January 3. All the Alax and Baldwin plantations have now commenced grinding.

OLD STOCKS LOW AT CUBAN PORTS

Prices Are Sustained With Business About Normal For Holiday Season

Willett & Gray report that only 57,000 bags of sugar were sold at New York during the week ending December 23, mostly for immediate delivery. Cuban raw's at the close were held at 4.89, Porto Rico 4.515, one year ago 4.01; granulated 5.81, last year 4.733.

Receipts at the United States Atlantic Ports, 41,574 tons; Meltings, 49,000 tons; Total Stock, 93,422 tons, against 104,848 tons last week and 104,816 tons last year.

Estimate sent to the United States from Cuba and Porto Rico, 24,000 tons; Philippine Islands 8,000 tons; Various, 1,000 tons. Total, 33,000 tons, against total 30,000 tons last year.

Stocks in the United States and Cuba together of 138,878 tons, against 139,408 tons last week and 232,940 tons last year, a decrease of 97,062 tons from last year.

The week under review has generally been quiet. The market quotation for nearby positions, however, has shown an advance of one-eighth of a cent on a sale of about 1,000 tons to operators at 4.89. This price was also paid for Federal and Warner for two small lots in port. Other than this business there was practically nothing done, only one other sale being reported of December shipment at 4.83c to operators.

Owing to the advance in nearby values, holders of sugar for distant shipments also increased their views, and at one time, during the week early January was held at 4.77c and all January at 4.64c, but as we go to press holders have reduced their views, and it is now possible to buy early January at 4.64c and all January at 4.51c. February was off red during the week at 4.45c and later sold at 4.26c.

Distressed Porto Ricans

The feature of the week has been the increased offerings of Porto Rico sugar, holders of which are at a loss as to what to do with the surplus. A concession from Cuba, sugar for arrival about the middle of January being obtainable at 4.64c, and it was thought that if refiners showed any interest at this figure, that early January arrival could be obtained at the same price. As we go to press some 21,000 bags of Porto Rico sugar are in the port, and the last of the Hawaiian sugar, and there are no about at the present time from Hawaii, although it is expected that about the end of next week a cargo of new crop will be off to the east coast of the United States and will be settled for under the new contract, and will be delivered either to Howland or Pennsylvania.

New Cuban Mills

Receipts of new crop sugar for the week ending December 18 were 12,683 tons, against 9,000 tons for correspond-ing week last year and 27,090 tons in 1913. New crop exports 3,920 tons and old crop exports 5,939 tons; to other lands 9,859 tons; all to United States at 3.97c, and old crop stock is reduced to 841 tons.

Late December 20 there were 55 C. n. trals grinding, against 44.83 and 64, respectively, at corresponding dates in the three preceding years. Latest advice report 61 C. n. trals grinding, with continued favorable weather. There are 10 new C. n. trals that are expected to be completed for grinding this season, making a total of 137 C. n. trals to work this crop.

Refined Falling Off

As we went to press last week it was possible to buy some small lots from the Federal at 6.00c from warehouses and consignment points. This appeared to be the market some what, as on Friday two Philadelphia refiners, the McAdams and Penney, reduced their selling basis to 5.95c, and shortly after, this cut in prices was met by American, Howell and Arbuckle. Federal and Warner state that they are practically withdrawn from the market. These conditions govern to the close.

Holiday Business Slow

Business generally has been very moderate. Delays in shipments have improved somewhat in instances, particularly with Howell, who state that they should be able to ship promptly within a few days. American is about a week behind. Arbuckle prompt.

Export quotations at 4.90c, net cash, in bond, f. o. b. New York, for prompt shipment in moderate lots only. Efforts were made during the week to obtain a cargo of January shipment at Granulated at 4.50c, but so far as we can learn no success resulted.

California Beet Contracts

The American Beet Sugar Co. is reported to have over 15,000 acres already signed up for their (California) factory for next year's beets. Over 9,000 acres have been plowed, and planting will commence next week.

The Amalgamated Sugar Co. is reported offering its best growers two types of contracts this year, one providing for a flat rate of \$5 a ton for beets of over 12 per cent on a hand scale, and the other for a sliding scale based on \$5 a ton for beets of 15 per cent, and 10 cents up or down for every 1/2 per cent over or under 15 per cent. The farmers are said to prefer flat rate form.

Higher Prices To Farmers

The Grand Junction (Colorado) factory is reported to have advanced its price for beets to \$5.50 per ton for all beets over 12 per cent sugar content.

The Alma (Michigan) factory is expected to close shortly before Christmas, after a campaign of about 90 days. The sugar companies in some sections of Michigan are said to have refused to contract for beets, as yet, apparently waiting for the more definite settlement of the tariff.

FEEDING THE MILL IS PURE MECHANICS

Finely Shredded Cane Saves Power and Makes More Sugar

The purely mechanical problem of so preparing cane that all the sugar in the stalk can be extracted presents many difficulties. If cane could be fed sideways into the rollers extreme tearing and shredding of the stalk would result, but the cane cannot be so fed because of its crookedness and the method of delivery from either a flume or cars.

The mass, or blanket, passing through the rollers should be of even thickness, but this desideratum has been hard to maintain because of the tangled web of crooked cane stalks in the carrier. Cutting the cane on the carrier by passing it through a set of rapidly revolving knives makes it fall closer, but leaves irregularities and makes a thick and thin blanket. The same condition results from the use of figured roller crushers.

Saving Power

If the cane is dumped on the carrier in uneven volumes these lumps and valleys hold clear through the train. Some parts of the blanket are subjected to enormous pressure while others in the same linear plane pass through under comparatively light pressure.

Even feed in the carrier causes in better conservation of power as the blanket passes through the rollers. Hence any change in the preparation of the cane for milling that will tend towards a more even distribution and uniformity in the feed marks an advance towards more perfect extraction and better conservation of power.

These are some of the advantages gained through using the Searby shredder. The condition of the shredded cane as it enters the first mill is much more uniform and the blanket is therefore of more equal thickness. The advantages of finely shredded cane are saving of power, increased extraction and more sugar in the bag.

CUBAN ESTIMATE FOR CROP OF 1916

The details of Messrs. Jonquin-Guma Loureiro Mejer's estimate of December 11, 1915, of the Cuba crop 1915-16, are as follows:

Districts: Havana 1,695,000; Matanzas 3,400,000; Cardenas 2,800,000; Cienfuegos 2,000,000; Sagua 1,445,000; Guantamano 1,301,000; Manzanillo 1,745,000; Santa Cruz del Sur 1,400,000; Nuevitas 450,000; Antilla 1,628,000; Nipe Bay 1,250,000; Juranos 1,195,000; Gihara and Puerto Padre 1,195,000; Manati 1,550,000; Zaza 1,275,000; Trinidad 1,900,000.

Total 29,285,400; 3,183,628 tons.

EXTRACTION IMPROVING

The new Searby shredder at Makani well was set in operation last week. Manager Ben Baldwin reports over ninety-seven per cent extraction the second day it ran.

At Kahuku manager Andrew Adams has already recorded 97.5 per cent extraction and expects to see the shredder do higher. One advantage of the new installation was emphasized Monday when two pieces of 25-pound iron went into the shredder. It sounded like a boiler factory. The engineer stopped the machinery and caught the iron in the carrier before it had reached the first mill. The shredder was not damaged but the rails were "all chewed up," Mr. Adams stated.

ESTIMATE OF CROP

Based on averages alone, the brokers' estimate last September were 500,000 tons for the 1916 crop. Amended estimates, figured on the proportion of 1915 crop shipped by the sugar factors, calls for a total of about 582,000 tons. The sugar factors have signed shipping contracts on the basis of 497,000 tons, and last year yielded 52.8 per cent of the crop.

ALL BUT WAIMEA

By Saturday all the Hackfeld plantations except Waimea will be grinding new crop cane. Waimea was late in finishing and will be late in beginning work again. Hawaii Mill Company starts harvesting tomorrow.

BIG CUBAN MERGER OF MATANZAS MILLS

Eastern Banking Corporations Back of Gigantic Amalgamation of Sugar Properties

The New York Journal of Commerce states that "it is understood that satisfactory progress is being made to consolidate a number of Cuban sugar companies, and an official announcement regarding the much talked of plan will probably be made in the early future.

According to a statement made yesterday, December 17, the new issue will be \$50,000,000, cumulative seven per cent stock and 500,000 shares of common stock of no par value. It is believed that the preferred stock will be offered at par with a bonus on common stock.

A Gigantic Concern

J. & W. Seligman & Company are forming the combination and it is learned that J. P. Morgan & Company and Guaranty Trust Company are also to be in the project. The Cuba Company, which was organized by the late Sir William Van Horne of Montreal, E. J. Bewick and H. L. Whitney, may figure in the deal. But those who are usually well informed claim that it is plantations in the province of Matanzas. Among the companies that are mentioned in local sugar trade circles a connection with the consolidation of the Central Matanzas Sugar Company, the Stewart Sugar Company, the Searby Sugar Company and the Cuban Sugar Company.

The Cuba Company was incorporated under the laws of New Jersey in 1901 to operate railroads and electric railways in Cuba and undertake other enterprises of like nature. It acquired by purchase the railroad from Santiago to San Luis, with a branch to Pampun, and constructed a line between San Luis and Santa Clara, a branch Alto Cedro to Antilla on Nipe Bay and another branch to Sancti Spiritus. This railroad property was sold before completion to the Cuba Railroad, the Cuba Company agreeing to finish certain construction work. The Cuba Company owns the entire common stock and \$1000 preferred stock of the Cuba Railroad.

Heavy Land Owners

The Cuba Company also has 300,000 acres of land located along the line of the Cuba Railroad, including the town of Antilla, the terminal of the railroad company. It also owns an extensive sugar plantation, covering 15,500 acres at Tana and several small plantations at Jatibonico, there is a large modern sugar mill with a capacity of 250,000 bags, covering with adjoining sugar lands, 9114 acres.

There are twenty-nine sugar plantations in Matanzas province, out of a total of 187 in the whole of Cuba. Their estimated production for 1916 has been placed at about 500,000 long tons.

CHANTS OLD SONG TO NEW MUSIC

For several years one of the big seaboard refiners of foreign-grown sugar arrived on a campaign in favor of "untaxing" sugar. Cheaper sugar was the boon of hoons to be realized by the removal of the import duty on the refiners' raw material. The solicitude for the consumer displayed by the refiners' mouthpiece was touching in the extreme. It included even the blazoning of the utterly unfounded claim that free sugar would mean a reduction of two cents a pound in the price paid for his sugar.

Since the pronouncement of Secretary of the Treasury McAdoo in favor of the retention of the duty on sugar, his same seaboard refiner has started a new campaign through the same representative whose cherished ideal formerly was the welfare of the consumer.

To Delete Producer

This time, however, the primary object of the campaign is to bring about the taxation of sugar. His proposal is to place on sugar an excise tax similar to that imposed on liquors and tobacco.

Nobody except the consumer, of course, would pay a cent of such taxation. From the refiners' viewpoint, however, the chief recommendation of the proposed tax is that it would destroy the industry of sugar production in the United States even more quickly and fully as effectively as would the free importation of foreign sugar. It would thus put an end to the competition which the importing refiners meet from the home-grown product.

All of which goes to show that the primary object of the refiners' campaign is not the welfare of the consumer but the business destruction of the refiners' competitors.

HIGHER CUBAN FREIGHTS

Cuban freights are away up once more. Letter advices from New York yesterday stated that forty, forty-five and fifty cents per hundred pounds is being asked for February and March charter contracts for sugar shipment between Cuba and New York.

The scarcity of vessels is orating difficulties in the South American and South African trade also. The Journal of Commerce states that rates between New York and Port Elizabeth, and from Buenos Aires have been doubled and the end is by no means in sight.

OLAA SOON READY

Cuba Sugar Company will commence grinding its 1916 cane Monday, January 17. With a smaller tonnage to handle and a number of improvements on the mill, this year's crop will be disposed of in a shorter period than was required in 1915.

TANTALUS ROAD CAUSES MISHAP

On Account of Its Deplorable Condition Mrs. W. R. Castle Meets Accident

W. R. Castle has addressed a communication to the board of supervisors, which will be read at the next meeting, in which he again called attention to the deplorable condition of the Tantalus road.

Mr. Castle stated that last Monday, while walking along the road in a spot which was so bad that the carriage in which she had been riding was hard to proceed, Mrs. Castle slipped and in falling sustained a dislocation and fracture of her wrist.

In a communication addressed to the board on December 14, Mr. Castle called attention to the condition of this road, and in his last letter he points out that he has not even been notified that the communication had been received, or that steps should be taken to put the road in repair. Castle's first letter was referred to the committee on roads.

"I will leave it to your legal advisers to say as to the obligation of the city with reference to the accident to my wife," wrote Mr. Castle. "Just what action I shall take I have not yet decided, but we are very seriously aggrieved, and not ourselves only, but all the lot of owners and occupants of lots on the mountain road. I desire to keep the matter before you and to secure from you not necessarily a promise, but actual action."

MONEY IS REQUESTED FOR SCHOFIELD ROADS

Yesterday Captain Stone, constructing quartermaster, called to Washington asking for \$150,000 to be used in the construction of permanent sidewalks, curbs and roads at Schofield Barracks.

The idea is to connect the main barracks with the outposts at the post and to lay macadam roads throughout the reservation which will connect with the government road.

An electric light plant for Fort Rucker is also in process of installation which is expected to be in operation about the first of May. The plant will be similar to the one at Schofield.

DAVIES PLANTATIONS

Kukui begins grinding today and Hamakua Mill Company started on the new crop yesterday. Kanihiki Sugar Company and Waikaka will start their mills next Monday. Francis M. Weany started yesterday that all the Davies plantations will be at work before the end of this month.

NO SUGAR TABLE

As total shipments of new crop sugar to December 31 have footed up less than ten thousand tons the "sugar table" showing detailed quantities for warbled by each plantation will not be issued until February.

The Sugar Factors Company has shipped only 8000 tons all told, 5700 tons to Atlantic ports and the balance to San Francisco.

BABY'S SCALP